

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 432 – HB 864

March 12, 2013

SUMMARY OF ORIGINAL BILL: Specifies that the exclusive remedy provision of the Workers' Compensation Act does not limit third party action against tortfeasors.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (003849, 003958): Amendment 003849 deletes all language after the enacting clause. Entitles an employee who leaves the state incidental to the employee's employment and who receives an accidental injury arising out of the course and scope of employment to workers' compensation benefits. Exempts certain employees from other states from the requirements of workers' compensation law. Exempts certain employees and employers, from Tennessee, from the requirements of other states. Amendment 003958 adds language to the bill as amended requiring a certificate from the authorized officer of another state, certifying that the employer is insured in that state. Authorizes the Administrator of the Division of Workers' Compensation to issue certificates for employers in Tennessee.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Increase State Expenditures – \$3,000/One-Time
\$75,600/Recurring**

Assumptions for the bill as amended:

- The precise number of applications for certificates cannot be determined. Additional staff will be required in order to review applications for certification, to issue certificates, and review certificates issued by other states. Depending on the number of certificate applications, additional staff may be needed in future years.
- Based on information provided by the Department of Labor and Workforce Development, an additional Workers' Compensation Specialist 2 will be required.
- A recurring increase in state expenditures of \$75,566 (\$57,000 salary + \$14,566 benefits + \$4,000 operational/supplies).

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- A one-time increase in state expenditures associated with the creation of this position of \$3,000 (for computer/supplies/training).
- The impact on the number of claims processed by the Department of Labor and Workforce Development will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jaw